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**Finance Committee**

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**HB 1746**

**Brief Description:** Exempting certain historic property leased to counties from property taxation.

**Sponsors:** Representatives Orcutt, Santos, McIntire and Alexander.

**Brief Summary of Bill**

- Exempts certain historic property leased to counties from property taxation.

**Hearing Date:** 2/9/07

**Staff:** Jeff Mitchell (786-7139).

**Background:**

The St. Urban Church, located in Winlock, Washington, was built in the 1880s. The wood-frame church retains many of its historic artifacts. Some renovations have taken place over the years, but disuse and damage from the elements have caused it to fall into general disrepair. The church has been closed for the past five years. In 2005, the Archdiocese of Seattle, lacking restoration funds, leased the church to Lewis County for fifty years for a lease fee of \$1 per year. The St. Urban Settlement Foundation, a nonprofit organization formed by local community members, is responsible for the restoration. The Lewis County Parks Department will assume management of the site when the work is completed. The church will be used for weddings as well as public meetings and tours.

All property in this state is subject to the property tax each year based on the property's value, unless a specific exemption is provided by law. The state Constitution specifically exempts property owned by the state or local governments from property taxation. This Constitutional requirement is also codified in statute. Generally, property must be owned by the governmental entity. Property leased by the state or local government is not exempt from property taxation.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Property leased to a county by a nonprofit religious organization is exempt from property taxation if the property is used by the county primarily for historic restoration and preservation, historic displays, educational programs, and other public uses consistent with the property's historic past.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.